

Solicitation of Comments on the Process and Technologies Used for Disseminating the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report

Federal Register / Vol. 73, No. 200/ Wednesday, October 15, 2008

The following material comprises the comments received by EIA in response to the Federal Register notice issued on October 15, 2008, which solicited comments related to the process and technologies used for disseminating the *Weekly Petroleum Status Report* and the *Weekly Natural Gas Storage Report*. These comments appear verbatim as they were submitted to EIA and have not been edited. The dates reflect when the comments were received by EIA.

COMMENT 1 – October 15, 2008; Mr. Richard H. Haase

Ms. Karen Robinson
Office of Oil and Gas
Energy Information Administration EI-40
Forrestal Bldg, USDOE
1000 Independence Ave., SW
Washington, DC 20585

Dear Ms Robinson:

Thank you for receiving comments and suggestions regarding the release of WPSR (weekly petroleum storage report) and WNGSR (weekly natural gas storage report).

May I suggest that the EIA send a VERY BRIEF report via e-mail at the 10:35 a.m. release time to a list of people who request just the nitty gritty numbers. May I suggest the following format:

"As of _____(date.)

Barrels of Crude Oil in storage _____,
Change from previous week _____

Barrels of Gasoline in storage _____
Change from previous week _____

Barrels of Distillates in storage _____
Change from previous week _____."

A more detailed report could be made available on the EIA web site. And to spread the heavy release time traffic to other servers, perhaps the same report could be available on a few other govt. web sites (civil defense, DOD and/or NOAA) for only one hour after the release time.

Many thanks for your concern about the equitable release of the WPSR and WNGSR information.

Very truly yours,
Richard H. Haase (Crude Oil futures trader-small spec.)
275 West 73rd Street
New York, NY 10023
richhaase@aol.com.

COMMENT 2 – October 16, 2008; Ms. Beth Conrad

Per Gas Daily, you are looking for feedback regarding the release of the weekly storage number. I don't think the data should be released to different types of customers at different times since everyone looks for that number and it could give those certain companies a market place advantage. I think the use of robots should be banned and/or the release of the number be before/after the NYMEX screen opens/closes.

That is just my opinion and does not reflect the opinion of my company.

Thanks

Beth Conrad

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COMMENT 3 – October 17, 2008; Mr. Leonard Clapp

The report is interesting, but lacks information which it brings to mind.

The graph showing stocks should also include the retail price and the production rate. Otherwise, the reader has no grasp of the situation concurrent with the amount of stocks.

Leonard Clapp



COMMENT 4 – October 17, 2008; Mr. Paul M. Wilken, General Manager; Charlevoix Energy Trading, LLC

October 17, 2008

Karen Robinson
Office of Oil and Gas, Energy Information Administration
EI-40, Forrestal Building
U.S. Department of Energy
1000 Independence Ave. SW.
Washington, DC 20585
Via email to: karen.robinson@eia.doe.gov

Dear Ms. Robinson,

Regarding: **Solicitation of Comments on the Process and Technologies Used for Disseminating the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report**

One suggestion on the timing of the release of the Weekly Natural Gas Storage Report would be to postpone its release so that it does not coincide with the settlement date of the prompt month NYMEX natural gas contract (typically the 3rd business day before the end of the month).

This would substantially reduce the risk of inaccurate data unduly impacting the NYMEX settlement value for a month, a situation that occurred in November 2004 when the AGA was reporting natural gas storage data. The NYMEX settlement impacts a significant portion of the value of natural gas bought and sold on a monthly basis in the U.S. Once the settlement is established, and its influence is factored into virtually all natural gas pricing Indices, there is no way to change or correct it.

Thank you for your consideration and for the service you and the rest of the EIA provide to our industry.

Sincerely,

Paul M Wilken
General Manager
Charlevoix Energy Trading, LLC

COMMENT 5 – November 10, 2008; Mr. Richard Valdmanis, Energy Editor Americas; Reuters

Nov 2008

Dear Sir/Madam,

Reuters is grateful for the opportunity to provide feedback on the method the EIA uses to release its Weekly Petroleum Status Report, and is keen to help the EIA work toward new system that is fair, fast, reliable and doesn't present an undue burden to the EIA or the news organizations that depend on it.

We agree with the EIA that a change is needed.

After some consideration, Reuters would like to suggest the EIA replace its current system with a strictly enforced embargo to news agencies that meets the following specifications:

- The information is provided to news organizations at least 30 minutes before the embargo release time to allow editors to ensure accuracy in their stories.
- The information is released by all news organizations at a precise time, to the millisecond, as defined by an atomic clock.
- The information is "pushed" to news organizations, instead of "pulled" by them. In other words, the EIA would actively provide the information either through email, an FTP push to registered subscribers, or a standard press wire, instead of requiring news organizations to scrape off a website as the current system requires.
- The system allows for Reuters to break the embargo in the case that the embargo has already been broken by another news organization.
- The news organizations that are the first to break the embargo in a given week are penalized by losing their embargo rights for the next one or two weeks, or some other meaningful sanction that will help reduce the incidence of even the smallest violations.

Reuters believes that this proposed system is fair, fast, reliable and unburdensome.

As a second suggestion, should the strictly enforced embargo be impossible, Reuters would suggest a no grace lockup -- similar to the system used by other government bodies including the Department of Agriculture.

Many thanks for your consideration. Reuters looks forward to discussing this further at your convenience.

Sincerely,

Richard Valdmanis
Americas Energy Editor

Richard Mably
Global Energy Editor

Elena RodriguezBusiness
Manager, Enterprise Solutions

COMMENT 6 – November 14, 2008; Mr. William T. Miller; American Public Gas Association

**UNITED STATES OF AMERICA
BEFORE THE
ENERGY INFORMATION ADMINISTRATION**

Solicitation of Comments on the Process and Technologies Used for Disseminating the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report

COMMENTS OF THE AMERICAN PUBLIC GAS ASSOCIATION

Pursuant to the request for comments issued by the Energy Information Administration (“EIA”) on October 15, 2008, the American Public Gas Association (“APGA”) hereby submits comments on the process and technologies used for disseminating the Weekly Petroleum Status Report (“WPSR”) and the Weekly Natural Gas Storage Report (“WNGSR”).

Background:

APGA is a national, not-for-profit association of more than 700 municipal and other publicly-owned local distribution systems in 36 states. APGA members own and operate natural gas distribution systems serving their communities and are served by interstate natural gas pipeline systems located across the country. Publicly-owned gas systems are not-for-profit retail distribution entities owned by and accountable to the citizens they serve. They include municipal gas distribution systems, public utility districts, county districts, and other public agencies that have natural gas distribution facilities. There are approximately 1200 local distribution systems in this country of which almost 1000 are publicly-owned and serve more than 4.6 million natural gas customers.

APGA has over the years been an active participant in EIA proceedings regarding the WNGSR because, *inter alia*, the issuance of the WNGSR can have such a dramatic impact on the natural gas marketplace. As APGA observed in comments submitted in 2005 in response to an EIA notice (70 F.R. 1426) regarding proposed changes to the procedures used to issue revisions to the WNGSR:

In a series of comments filed since 2001, APGA has highlighted the critical need of all market participants for improved access to timely and reliable market information. The WNGSR, for better or worse, has become the single most important piece of market information to those active natural gas participants who take their cues from fundamentals and must navigate the unpredictable futures market to hedge physical gas purchases. [Comments at 1; note omitted.]

Comments:

As a representative of consumer interests, APGA strongly supports the EIA's efforts to ensure fair access to the WPSR and WNGSR. It is common knowledge that the WNGSR is widely used both by hedgers and others with legitimate commercial interests in the operation of natural gas markets and by speculators whose only interest is turning a profit on the price swings of a volatile commodity. APGA is unable to determine from the EIA notice whether those employing the use of "robots" (and other techniques) both to acquire data and to impede access to the selfsame data by others, in order to gain a timing advantage, are predominantly speculators. But regardless of the identification of those seeking an unfair competitive advantage in the marketplace, APGA deplores the practices described by EIA in its notice and urges the EIA to take the necessary steps to prevent that outcome.¹

To that end, the EIA, in addition to reporting such activity in accordance with its Security Policy (73 F.R. at 61,103), should consider coordinating with the Federal Energy

¹ APGA defers to those with greater technical expertise to suggest ways in which to defeat the use of robots or other tools in order to prevent unfair access to the WPSR and WNGSR reports.

Regulatory Commission (“FERC”) and the Commodity Futures Trading Commission to determine whether such parties are engaging in prohibited market manipulation within the purview of either of these agencies. For example, to the extent that entities are intentionally employing robots in order to prevent other market participants from obtaining the data timely, such activity may be considered a “device, scheme, or artifice to defraud” under FERC’s anti-market manipulation rule.²

APGA has long maintained that the EIA, in addition to ensuring equal access to the WNGSR data, should also take steps to water down the significance of such data by issuing it in the context of broader supply/demand data. In other words, while storage data may indicate a short or long situation exists in the natural gas market, other, more significant supply/demand data may indicate something very different; but because the storage data is issued weekly in isolation, it becomes the bellwether of how the gas market is perceived and hence the basis for huge bets by speculators – bets which can drive market volatility and influence the price paid for natural gas by tens of millions of consumers. APGA is not suggesting that putting the WNGSR data in context will eliminate the access issue that EIA is currently confronting, but it may ameliorate the problem to the extent that issuing the WNGSR in context diminishes price volatility in the natural gas market (and hence the urge to game the system by monopolizing access to game-changing EIA data).

APGA applauds the efforts of the EIA to address the access issue and also urges it to consider this problem in the broader context of a more comprehensive report that may diminish both price volatility and various entities’ willingness to engage in the questionable gaming practices described by the EIA in its notice.

² 18 C.F.R. § 1c.1 (2008)

Respectfully submitted,

AMERICAN PUBLIC GAS ASSOCIATION

By /s/ William T. Miller
William T. Miller

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1015 15th Street, N.W., 12th Floor
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(202) 296-2960

November 14, 2008

COMMENT 7 – November 14, 2008; Mr. Greg Reid and Mr. Thomas H. Golden; Bloomberg L.P.

November 14, 2008

Office of Oil and Gas, Energy Information Administration
EI-40, Forrestal Building
U.S. Department of Energy
1000 Independence Ave., SW.
Washington, DC 20585

Re: FR Doc. E8-24487; Solicitation of Comments on the Process and Technologies Used for Disseminating the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report

Attention: Karen Robinson

Ladies and Gentlemen:

On behalf of our client Bloomberg L.P. (“Bloomberg”), and in response to the above-referenced solicitation, we submit these comments regarding the processes and technologies used for disseminating the Weekly Petroleum Status Report (“WPSR”) and the Weekly Natural Gas Storage Report (“WNGSR”). Bloomberg appreciates the opportunity to share its views on this important subject.

By way of background, Bloomberg is an information services, news and media company that provides over 250,000 business and financial professionals with the information and analytics they need on a single, all-inclusive system known as the BLOOMBERG PROFESSIONAL® service. Among other things, Bloomberg operates Bloomberg News, a 24-hour global news service that supplies news stories to more than 400 publications in 70 countries, including the *New York Times*, *The Washington Post*, *The Los Angeles Times*, *The Chicago Tribune* and *The Boston Globe*, all of which publish stories under the byline of “Bloomberg News.” At its core, Bloomberg is about information: quickly and accurately accessing it, analyzing it, and distributing it.

Bloomberg is well-positioned to assist the Energy Information Administration (“EIA”) in the process of uniformly disseminating the WPSR and WNGSR. The EIA’s stated goal is to provide “fair access to any interested user, regardless of the nature of their interest.” Unfortunately, the actions of certain market participants have undermined the EIA’s policy of promoting equal and timely access to the WPSR and WNGSR. Indeed, as a direct result of such conduct, Bloomberg has experienced delays in accessing that data, to the detriment of its subscribers. These delays prejudice parties who abide by the rules and reward aggressors with an informational advantage. We respectfully submit that the best way to mitigate this risk would be to provide bona fide news organizations with pre-release access on terms and conditions set by the EIA.

The EIA is right to be concerned about unequal access to the WPSR and WNGSR, because the underlying data moves financial markets. Analysts and traders routinely use the WPSR and WNGSR as market indicators. Accordingly, even a slight deviation from

expectations moves the futures markets in petroleum and natural gas. Therefore, the immediate commercial value of the information is high, but it decays rapidly. The time sensitive nature of the data creates an overwhelming incentive among market participants to aggressively seek the information, to the exclusion of others. As such, the use of automated retrieval devices like robots is likely to continue. The data have implications on “Main Street” as well, because futures contracts that trade in financial markets influence the prices that consumers pay for gasoline, diesel fuel, and natural gas. Given that small differences in access to this information can have profound commercial implications, even minor delays of only a few seconds undermine the EIA’s policy of promoting fair access. What is more, attempting to address this problem through incremental technology and process solutions undermines the EIA’s policy of promoting fair access.

Bloomberg respectfully submits that the best way to ensure a fair and orderly dissemination of such data would be to provide bona fide news organizations with separate access to the WPSR and WNGSR, to ensure that such organizations will be able to disseminate the data on equal terms to their readers and subscribers. Doing so would assure that the voracious actions of a few will not inhibit the uniform dissemination of information to the investing public.

Government agencies often provide members of the media early access to market-sensitive or complex data. This is accomplished in a variety of ways, including news embargoes, lock-up systems and password-protected websites. Under a traditional news embargo, journalists receive early briefings and agree to withhold the information until a designated time. Certain government agencies have opted to maintain password-protected embargo websites where bona fide news organizations can access information prior to public release. Under a lock-up system, the government provides approved reporters with supervised access to information in a secure room. Despite their procedural differences, the result of each method is the same: bona fide news organizations obtain early access to information, thereby enabling them to put breaking news in a broader context and to facilitate the orderly dissemination of information.

To be sure, giving news organizations early access to sensitive information requires a certain level of trust. Government agencies maintain this trust by using the media’s need for information as leverage: In the event of an embargo break, the source of the information often suspends the offending news agency and journalist from receiving advance notification for a significant period of time. The EIA could adopt a similar approach here.

We understand, for example, that the United States Department of Agriculture (“USDA”) utilizes a lock-up to provide journalists access to market-sensitive data before it is released to the public. For releases like the monthly Crop Production Report, approved journalists agree in writing that they will not bring electronic or cellular devices into the lock-up. To ensure compliance, the USDA employs surveillance equipment that detects cellular signals and wireless devices in computers. If such devices are found they are confiscated. Once all communications are cut off, the Crop Production Report is distributed to the journalists present. A USDA employee is present at all times, and the room is monitored via closed-circuit cameras. When the lock-up period expires, news

organizations are able to disseminate the data on equal terms to their readers and subscribers.

A further example is the U.S. Census Bureau, which maintains a password-protected embargo website for the posting of data sets and news releases prior to public release. U.S. Census Bureau, <http://www.census.gov/pubinfo/www/embargopolicy.html> (last visited Nov. 4, 2008). The Census Bureau has an embargo site to promote its policy to “provide fair and equitable access to news releases, reports and data about America’s people and the economy.” Id. According to the Census Bureau, “providing members of the media early access to our data allows them adequate time to write stories that more accurately reflect that underlying data.” Id. The Census Bureau limits access to bona fide correspondents of periodicals or news outlets that regularly publish a substantial volume of news material. Id. An officer of the Census Bureau routinely searches newspapers and wire services to detect violations of the embargo. Id. In the event of an embargo break, the Census Bureau reserves the right to suspend or deny access to the offending news agency. Id.

While most government agencies may not have formal embargo policies, they nonetheless frequently use press embargoes. Bona fide members of the media routinely receive press releases and transcripts of prepared remarks through an informal agreement under which the information cannot be released until a specified time. This commonly occurs when there is intense public interest in the information, including with respect to market indicators. As a result of embargoed access, journalists have time to study the information, prepare thoughtful articles, and release the information in a timely and orderly fashion.

The EIA, like the various other governmental agencies that use news embargoes, aims to provide fair and equitable access to interested parties. As discussed above, the current process for disseminating the WPSR and WNGSR fails to achieve this goal. We therefore respectfully suggest that the EIA provide bona fide news organizations with pre-release access to the WPSR and WNGSR on terms and conditions set by the EIA. Such a change would advance the EIA’s mandate of improving and broadening the understanding of the petroleum and natural gas supplies in the United States. Without such a change, despite the EIA’s worthy goals, the aggressive actions of a few will continue to inhibit the uniform dissemination of information.

Respectfully submitted,

Thomas H. Golden

COMMENT 8 – November 14, 2008; Mr. W. Steven Jones, Managing Editor, Product Development; Dow Jones Newswires

Ms. Karen Robinson
Office of Oil and Gas
Energy Information Administration
EI-40, Forrestal Building
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

Email: karen.robinson@eia.doe.gov

Date: Nov. 14, 2008

Dear Ms. Robinson:

Thank you for seeking public comment on the EIA's methods for disseminating the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report. This information is critical to the energy markets and financial markets more broadly and to subscribers of Dow Jones Newswires and its affiliates.

As you are well aware, trading on the weekly EIA energy inventories can take place in a split second after the data is posted. With the recent and continuing intense interest in energy inventories, we understand there has been huge rush of both human and so-called robotic agents attempting to grab the data from your website at the official time of publication. We understand this deluge has taxed EIA systems and threatens the reliability and speed of data delivery. We are most happy to help you address this problem.

In the Oct. 16, 2008 Federal Register, you ask for detailed comment by Nov. 14 on many questions about your current website-based publishing process, which aims to publish the data to all interested parties at once. At this initial stage in your review process, we would like to keep our comments brief.

We suggest that the EIA and the Department of Energy follow precedents set by other government departments, including Commerce, Labor, Treasury and the Federal Reserve and provide the weekly inventory reports to accredited news agencies under embargo a few minutes ahead of the official release time. Several embargo mechanisms could be considered to protect sensitive data, including a secure website, and it wouldn't be necessary to establish a physical "lockup" room. Under an embargo, DOE would provide the inventories data in a secure manner to accredited news agencies, which would agree not to publish the data until the official release time.

With an embargo system, the accredited news agencies themselves would become part of the dissemination process at the exact time of publication, publishing to millions of their subscribers. This is how it works with critical market-moving data from Commerce,

Labor, Treasury and the Fed. We believe an embargo system is fair and enforceable, gives the accredited news agencies time to ensure accuracy and also eliminates their need to hit the DOE website at the publication time. The major accredited news agencies have long histories of playing by the rules and also have no stake in the market.

If the EIA doesn't favor an embargo system and wishes to continue with a website-based delivery mechanism for all parties at the same time, we ask that the method be fair, fast and reliable, with sufficient technical capacity to handle growing traffic and maintain equal access. We ask that the process be governed by clear and enforceable rules.

Along these lines, we don't believe robotic "webscraping" agents should be banned, but if the EIA should seek to put limits on these commonly used programs, we ask that the limits be equally applied to all parties, fairly monitored and effectively enforced as breaches by any one party could deny or delay access to others.

In Section III, No. 2, of your Federal Register request, you ask whether "minor delays" of 1 to 50 seconds in website data access would be acceptable. Unfortunately, these are not minor delays. Trading on the EIA energy inventories data can begin in a matter of milliseconds. A delay of even a single second in obtaining data would disadvantage news agencies publishing this data as well as subscribers who may be trading on it. The market cannot accept either a multi-second delay or an unpredictable range of delivery times from week to week.

You also note you may consider changing the release times for the inventory reports. We see no need to do this. As you note, the current times – 10:35 a.m. ET for WPSR and 10:35 a.m. ET, Thursdays for WNGSR -- occur during the trading hours for futures on the New York Mercantile Exchange. The release times have been in place for some time now. We believe that disseminating this data when the market is open is the continued best practice.

Thank you again for inviting public comment on this important matter. We look forward to continued discussion with the EIA as you study whether to modify or change the current publishing process for the weekly inventories data.

Sincerely yours,

W. Steven Jones
Managing Editor, Product Development
Dow Jones Newswires

COMMENT 9 – November 14, 2008; Mr. Larry Foster, Global Editorial Director, Power; Platts

The McGraw-Hill Companies

platts

November 14, 2008

Karen Robinson
Office of Oil and Gas
Energy Information Administration
EI-40, Forrestal Building
US Department of Energy
1000 Independence Ave. SW
Washington, DC 20585

Re: Solicitation of Comments on the Process and Technologies Used for Disseminating the *Weekly Petroleum Status Report* and the *Weekly Natural Gas Storage Report*

I. Introduction

Platts, the energy information division of The McGraw-Hill Companies, Inc., submits these comments for the Energy Information Administration's consideration in its inquiry into the processes and technologies it uses to disseminate weekly information on petroleum and natural gas stocks in the US.

Platts is a global leader in price discovery and news for the oil, natural gas, electricity, nuclear, coal, petrochemical and metals industries across more than 150 countries from 15 major offices worldwide. Founded in 1888, The McGraw-Hill Companies is a leading publisher, worldwide, in the financial services, education and business information markets through leading brands such as Standard & Poor's, McGraw-Hill Education, BusinessWeek and J.D. Power and Associates.

Platts has a strong interest in this inquiry because it has real-time news and pricing services that disseminate, among other information, the weekly petroleum and natural gas inventory and storage information that is the subject of this inquiry. Platts has worked closely with EIA for years to establish the most efficient and reliable technologies to transmit the EIA data instantaneously to Platts' broad base of customers in the oil and natural gas industries. Platts shares EIA's concerns about any technological impediments to the smooth and rapid transfer of this timely data.

II. Background

Platts has been disseminating news, pricing and other information on a real-time basis since the mid-1980s via *Platts Global Alert*, *Natural Gas Alert* and other services. These services are available to all comers on a subscription basis and are widely used for timely transmission of data vitally important to energy traders and other time-sensitive customers. For instance, price formation in petroleum markets globally can be seen in the transparent, real-time environment on *Platts Global Alert* commonly referred to as the “Platts window.” In addition to its own proprietary distribution channels, Platts’ real-time services are available via third-party providers such as Reuters and Bloomberg.

Platts has worked extensively with EIA to create solutions enabling the automated download of data from EIA and instant transmission to Platts’ subscribers without disrupting the access of other users. If EIA creates new access rules as a result of this inquiry, Platts believes it should take into account the benefits provided by commercial redistributors of EIA data, since subscribers of Platts and other real-time services do not add to the peak-load logjam on EIA’s site but rather alleviate that peak demand by serving as aggregators of market participants who want timely access. As detailed below, Platts urges separate access for news agencies, and Platts would willingly participate in a meeting to work out details for such access.

III. Request for Comments

Q. Other than protecting its own information technology infrastructure, should EIA be concerned over the accessibility of the information it disseminates on its web site if some users experience delays in accessing the weekly data?

Yes. EIA plays a critical role in collecting, analyzing and disseminating energy data at a time when information on energy supply and demand is more important than ever to a well-functioning US economy. As EIA notes in its Federal Register notice, “Because oil and natural gas market participants respond extremely quickly to the information, the commercial value of the information is high but decays extremely quickly.” EIA also appropriately notes its interest in “providing fair access to any interested user, regardless of the nature of their interest, whether that interest is commercial, journalistic, academic, policy or general interest.” If some users experience delays in accessing the weekly data, EIA is not providing fair access to information that, by its own account, loses its currency rapidly.

Q. In the case of release of the Weekly Petroleum Status Report and the Weekly Natural Gas Storage Report, do minor delays involving 1 to 50 seconds in accessing information undermine EIA’s policy to promote fair access in operational terms?

Yes. Indeed, a delay of 50 seconds is not a “minor” delay, given the commercial sensitivity of the petroleum and natural gas inventory data. With electronic trading, prices in those commodities can move within seconds on important data such as inventory levels. A timing disparity of anything more than a couple of seconds would undermine fair access. An unfair advantage to one customer over another, even if unintentional, could sully EIA’s deserved reputation for impartial and fair data collection, analysis and distribution.

Q. Should EIA consider possible technological solutions to provide access to this information on different time frames? Would treating different types of customers differently be a problem? If so, why and how?

Platts believes EIA should explore providing access to different types of customers using different technologies, though not different time frames. News agencies such as Platts, Reuters, Dow Jones, Bloomberg and others can reach a very high proportion of those interested in immediate access to the EIA inventory data without burdening EIA's web site. Platts suggests that EIA employ a "push" technology to disseminate the data to a specified group of real-time news vendors, enabling that class of EIA customers to be treated equally. At the same time, individual users that want the data for their own purposes would be able to access the web site on equal footing, subject to technological restrictions as outlined below.

Q. Should EIA require registration for customers needing immediate access to this data and what guidelines would be reasonable for users to follow?

It is not unusual for agencies and departments in Washington to create special distribution procedures for news agencies for time-sensitive data, such as key economic indicators. Platts believes a similar process could be instituted to qualify for the separate "push" of weekly inventory data to real-time news vendors. Registration of all individual users that want to access data from the EIA web site could become burdensome. As EIA suggests, perhaps registration should be required only for those who need immediate access to the data, for instance in the first 15 minutes after release, since site access at non-peak times is not creating problems.

If EIA pursues the idea of registration, possible guidelines include:

- The application connecting to the site should use the registered user's ID when accessing the data;
- The application could poll for the availability of data no more frequently than every 10 seconds;
- Only one download would be permitted in any 5-minute period;
- Data would be available via HTTP and FTP protocols;
- Secure Shell (SSH) technology should be used to ensure security.

Q. Is a web release of information the best way to disseminate that information? Are there alternatives that would be more effective? For example, are there reliable "push" technologies that could come closer to simultaneous access – ways for EIA to send the information to interested parties rather than simply posting it?

EIA could use a number of distribution alternatives, including:

- Hosting the data on a web site;
- Hosting the data on an FTP site;
- Pushing the data to real-time news agencies for redistribution;
- Building an API to control "pull" type distribution;
- Making the data available as a broadcast on a number of sockets, so as to allow users to be able to download the data from a pre-allocated port only;
- Redistributing requests for data to multiple back-end servers using a load balancer.

Platts recommends a combination of hosting the data on a web site for download and also pushing the data to news agencies to allow wider distribution quickly.

Q. Are there particular technologies that EIA should be considering to (a) manage the brief, extraordinarily high loads associated with the WPSR and WNGSR releases, (b) block aggressive behaviors reducing service quality to others (inadvertently or intentionally), and (c) protect data after it is loaded onto the servers and before its release? Technologies could involve software and hardware solutions.

To accommodate high-volume traffic, Platts recommends:

- Increasing the bandwidth;
- Implementing distributed architecture;
- Using acceleration services such as AKAMAI;
- Building virtual IP and load-balancing requests (as one example, http://www.barracudanetworks.com/ns/products/balancer_overview.php);
- Blocking aggressive behavior by allowing only a single download every 5 minutes and by installing content filtering servers (e.g., <http://www.barracudanetworks.com/ns/products/web-filter-overview.php>).

Q. Should EIA consider moving the release times for the WPSR and WNGSR?

With the prevalence of electronic futures trading, Platts does not believe moving the release time would significantly alleviate the high demand for immediate access to the weekly inventory data. If the release were moved to a time period when trading currently is less intensive, trading patterns likely would simply shift to accommodate the new release time.

Q. Should EIA consider banning use of robots to access this data? Should EIA continue to block robots based on their level of activity? If so, what criteria should EIA use to block them? Historical behavior? Real-time behavior?

EIA should ban the use of robots that poll the site every second. It should limit polling to no more frequently than every 10 seconds and should limit downloads to one every 5 minutes.

Q. Could EIA develop and distribute a standard robot designed to regulate traffic by managing how hard it hit the EIA web site, allowing for blocking of non-standard designs and possibly identifying users to allow for more effective follow-up?

Platts recommends making the data available via a web site and providing an API that only allows users to connect with a single sign-on ID.

Q. At what point does tying up access to EIA's servers for several seconds by repeatedly downloading the same data without relinquishing connections – hundreds or thousands of times – become effectively a cyber security attack? What standards should EIA apply to make that determination?

EIA should implement Internet download etiquette standards guidelines that include:

- Use of a single IP address;
- Polling restricted to no more frequently than every 10 seconds;
- Downloads restricted to no more than one every 5 minutes.

Users that repeatedly do not comply with the prescribed protocol should be prevented from connecting directly to the site.

IV. Conclusion

As a real-time provider of news, pricing and data to the US oil and natural gas industries, Platts is vitally interested in the outcome of this inquiry. Platts believes EIA should differentiate between single users accessing the weekly inventory data for their own purposes and those entities, such as Platts, that serve as redistributors of the data to thousands of other users. Separate but parallel forms of access could be created to ensure redistributors obtain timely access via a “push” feed without disadvantaging other users who employ legitimate technology to access the data on EIA’s web site.

As it has in the past, Platts would welcome the opportunity to meet with EIA, either individually or collectively with other real-time news agencies, to discuss the best ways of ensuring fair and timely access to the weekly inventory data. Platts stands ready to discuss both the policy and the technological aspects of this inquiry. Please contact Robert DiNardo, editorial director of *Platts Global Alert*, at 212-904-3041 or robert_dinardo@platts.com, or the undersigned.

By: ___/s/ _____

Larry Foster

Global Editorial Director, Power

Platts

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COMMENT 10 – November 14, 2008; Willard Korfhage, Chief Technology Officer; Need To Know News

Willard Korfhage
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The EIA is distributing time-sensitive information via a web server, and the furious competition to get the data first is impeding information distribution for everyone. The EIA's web server is being bogged down by not just the fight to get the data first, but also apparently by attempts to deny the information to other by monopolizing server resources. Increasing computing and telecommunication speed drives this process. Trading companies, for whom this information is particularly valuable, are concerned not about seconds, but about thousandths or even millionths of a second. It is a great advantage for one company to get information even 5 milliseconds earlier than its competition. They will spend significant time and resources to gain such an advantage. Combine this with increasingly cheap computing and telecommunication resources that can be brought to bear on the EIA web server, and it is easy to see how the EIA's server can be overwhelmed.

Much as the idea of electronically distributing the data from a server is appealing, it is difficult for a single server to provide fair data distribution because minuscule time differences in access to the information can create a significant advantage for EIA customers. The EIA might well be able to control the denial-of-service aspects of current situation through registration, but as long as there is a single server, there will still be intense competition to get the data first. Even if the EIA uses a push technology, the problem of who gets the data first remains. A good solution for the EIA would keep it from being a victim of the natural competition for first place.

As a news organization, we have seen information disseminated in a variety of ways, ranging from simple email to strictly controlled lockups like that of the U.S. Department of Labor. In our experience, the fairest way to disseminate data with great time value is via a strictly controlled physical lockup. It provides accredited news organizations in the lockup with access to data, but all are cut off from the outside world until connectivity is established simultaneously for organizations in the lockup. The Departments of Labor and Commerce have successful examples of this type of lockup. No organization can use unscrupulous behavior to gain a time advantage over others, or block competitors. When the data is released, competition among the news organizations insures that it is disseminated as quickly and widely as possible.

To address specific questions:

A1. Should the EIA even be concerned about the delays?

Yes. The current situation lets an organization that is willing to bring resources to bear, and perhaps even skirt the rules, monopolize public data for its own benefit. Because of

the tiny time scales involved, if a company can block others for even as short 10 milliseconds, it can gain an advantage.

A2. Do delays of 1-50 seconds in retrieving data matter?

Yes, such delays certainly do matter. The people getting this data care about not just milliseconds, but microseconds. A well-connected trading company using automation can react to data and place orders in a couple milliseconds. Getting the data 10 milliseconds before your competitor is an advantage to treasure. A one-second delay in retrieving data is not minor, it is an eternity.

A3. Should the EIA provide the data different ways in different time frames?

That would be reasonable. The EIA could, for instance, provide a lockup situation for the initial data release, and then make the data available via the website when the time value of the data is not significant and there won't be excessive competition for the data. That might be as short as a minute later.

A4. Should the EIA require registration for customers needing immediate access and what guidelines would be reasonable?

Even if you require registration, fair dissemination of the data is still a problem. Registration can eliminate the problem of resource hogging to impede competitors, but there will still be competition to be first in line.

B1. Is a web site the best way to distribute the data, or are there effective alternatives?

As mentioned above, web distribution when the data has a lot of time value is a losing battle. If you push the data, there is still the problem of determining who gets the data first. The order of pushing the data is critical because even a miniscule time advantage has great commercial value. Thus, we prefer the lockup situation because it provides true simultaneous data release. This also puts the onus of the capital investment for information distribution on the accredited news organizations that wish to distribute the data, instead of the EIA.

B2. Are there particular technologies to consider?

Anything server-based suffers from problems we have already mentioned. It would be best to avoid it.

B3. Should the EIA move the release times?

Because of 24 hour financial markets, this does not seem practical.

C1. Should the EIA ban robots?

A person sitting at a browser can hit the refresh button multiple times per second, and a program can pretend to be a browser, so as a practical matter, a server can't reliably tell the difference between a robot and a person unless the access rates are inhumanly fast.

C2. Should the EIA block robots based on activity level?

This is easily circumvented with multiple robots each with a low enough activity level to avoid blocking, so it would be best not to have a situation that depends upon this.

C3. Should the EIA distribute a standard robot?

This still doesn't address the problem of multiple robots, or who gets the data first. In addition, it would be a software support headache for the EIA. It would be best to find a solution that doesn't require this.

COMMENT 11 – November 18, 2008; Mr. Taylor Stockwell

Karen R. Robinson
Office of Oil and Gas
Energy Information Administration

November 18, 2008

Ms. Robinson:

Thank you for considering my comments with regards to proposed changes to the distribution of Oil and Natural Gas data to the public. As a private citizen, I hope that my comments are duly considered.

First, I recognize the various challenges that the EIA has in delivering timely information to the public. According to section II of the Federal Register notice seeking comments, the goal of the EIA is "in providing fair access to any interested user, regardless of the nature of their interest, whether that interest is commercial, journalistic, academic, policy or general interest. EIA's dissemination process and information technologies attempt to meet that goal."

With that in mind, I would not want to see the EIA give preferential treatment to information dissemination in the form of a lock-up, unless private citizens can qualify for entrance just as the press can. With other US Government reports, a lock-up process is employed to ensure that data is disseminated at the appropriate time and place. While effective, this process has resulted in a commercial market for this data, granting the press a virtual monopoly on the dissemination of this data for which they charge exorbitant fees. Dow Jones, for instance, charges over \$30,000 per month for one of their news services which provides weekly EIA data.

Following are options that I believe would both solve the EIA's challenges as well as provide an open environment for all to consume EIA data in a timely manner.

- **Open Lock-up:** This process would employ a typical lock-up process, similar to that employed by other agencies in releasing data. However, unlike other agencies, an "open" lock-up would allow other individuals who are not members of the press, to enter the lock-up. This would both control the dissemination of information, eliminate the need to protect the EIA website, and allow all constituents open access to EIA data.
- **Publish and Subscribe Technology:** Currently, the EIA posts data to its website. Robots are hitting the website multiple times per second, causing servers to overload with traffic and page requests. An inexpensive, secure and effective solution would be to allow organizations or individuals the opportunity to subscribe to data releases. The EIA would create a simple server application that would distribute data to all subscribers at the same time. This solution would, again, meet all the needs of the EIA, while also serving as a cost effective alternative to a lock-up.

I believe that either of these two solutions meet the needs of the EIA and your constituents. Good luck in your effort to develop an effective approach to solve this problem.

Regards,

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